

Sec.

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#### § 4001. Trade suspension reserves

Notwithstanding any other provision of law—

##### (a) Gasohol feedstock or food security reserves; establishment

Whenever the President or other member of the executive branch of Government causes the export of any agricultural commodity to any country or area of the world to be suspended or restricted for reasons of national security or foreign policy under the Export Administration Act of 1979 [50 App. U.S.C. 2401 et seq.] or any

other provision of law and the Secretary of Agriculture determines that such suspension or restriction will result in a surplus supply of such commodity that will adversely affect prices producers receive for the commodity, the Secretary may establish a gasohol feedstock reserve or a food security reserve, or both, of the commodity, as provided in subsections (c) and (d) of this section, if the commodity is suitable for stockpiling in a reserve.

##### (b) Announcement of intention to establish reserves; contents

Within thirty days after the export of any agricultural commodity to a country or area is suspended or restricted as described in subsection (a) of this section, the Secretary of Agriculture shall announce whether a gasohol feedstock reserve or a food security reserve of the commodity, or both, will be established under this section and shall include in such announcement the amount of the commodity that will be placed in such reserves, which shall be that portion of the estimated exports of the commodity affected by the suspension or restriction, as determined by the Secretary, that should be removed from the market to prevent the accumulation of a surplus supply of the commodity that will adversely affect prices producers receive for the commodity.

##### (c) Acquisition of suitable agricultural commodities; payment of transportation and storage costs; disposition of acquired commodities

(1) To establish a gasohol feedstock reserve under this section, the Secretary of Agriculture may acquire agricultural commodities (the export of which is suspended or restricted as described in subsection (a) of this section) that are suitable for use in the production of alcohol for motor fuel through purchases from producers or in the market and by designation by the Secretary of stocks of the commodities held by the Commodity Credit Corporation, and to pay such storage, transportation, and related costs as may be necessary to permit maintenance of the commodities in the reserve for the purposes of this section and disposition of the commodities as provided in paragraph (2) of this subsection.

(2) The Secretary of Agriculture may dispose of stocks of agricultural commodities acquired under paragraph (1) of this subsection only through sale—

(A) for use in the production of alcohol for motor fuel, at not less than the fuel conversion price (as defined in section 4005 of this title) for the commodity involved: *Provided*, That, for wheat and feed grains, if the fuel conversion price for the commodity involved is less than the then current release price at which producers may repay producer storage loans on the commodity and redeem the commodity prior to the maturity dates of the loans, as determined under clause (5) of the third sentence of section 1445e(b)<sup>1</sup> of this title, the Secretary may dispose of stocks of the commodity for such use only through sale at not less than the release price: *Provided further*, That such sales shall only be made to persons for use in the production of alcohol for

<sup>1</sup> See References in Text note below.

motor fuel at facilities that, whenever supplies of the commodity are not readily available, can produce alcohol from other agricultural or forestry biomass feedstocks; or

(B) for any other use, when sales for use under clause (A) of this paragraph are impracticable, (i) if there is a producer storage program in effect for the commodity, at not less than 110 per centum of the then current level at which the Secretary may encourage repayment of producer storage loans on the commodity prior to the maturity dates of the loans, as determined under clause (5) of the third sentence of section 1445e(b)<sup>1</sup> of this title, or, (ii) if there is no producer storage program in effect for the commodity, at not less than the average market price producers received for the commodity at the time the trade suspension was imposed.

**(d) Acquisition of agricultural commodities suitable for providing emergency food assistance**

(1) To establish a food security reserve under this section, the Secretary of Agriculture may acquire agricultural commodities (the export of which is suspended or restricted as described in subsection (a) of this section) that are suitable for use in providing emergency food assistance and urgent humanitarian relief through purchases from producers or in the market and by designation by the Secretary of stocks of the commodities held by the Commodity Credit Corporation, and to pay such storage, transportation, and related costs as may be necessary to permit maintenance of the commodities in the reserve for the purposes of this section and disposition of the commodities as provided in paragraph (2) of this subsection.

(2) APPLICABILITY OF CERTAIN PROVISIONS.—Subsections (c), (d), (e), and (f)(2) of section 1736f-1 of this title shall apply to commodities in any reserve established under paragraph (1), except that the references to “eligible commodities” in the subsections shall be deemed to be references to “agricultural commodities”.

(3) Any determination by the President or the Secretary of Agriculture under this section shall be final.

**(e) Use of Commodity Credit Corporation funds, facilities, and authorities**

The funds, facilities, and authorities of the Commodity Credit Corporation shall be used by the Secretary of Agriculture in carrying out this section, except that any restriction applicable to the acquisition, storage, or disposition of Commodity Credit Corporation owned or controlled commodities shall not apply with respect to the acquisition, storage, or disposition of agricultural commodities under this section.

**(f) Safeguards for protection of free market**

The Secretary of Agriculture shall establish safeguards to ensure that stocks of agricultural commodities held in the reserves established under this section shall not be used in any manner or under any circumstance to unduly depress, manipulate, or curtail the free market.

**(g) Replenishment of reserves with replacement stocks prohibited**

Whenever stocks of agricultural commodities are disposed of or released from reserves estab-

lished under this section, as provided in subsections (c)(2) and (d)(2) of this section, the reserves may not be replenished with replacement stocks.

**(h) Effective date**

The provisions of this section shall become effective with respect to any suspension of, or restriction on, the export of agricultural commodities, as described in subsection (a) of this section, implemented after December 3, 1980.

(Pub. L. 96-494, title II, § 208, Dec. 3, 1980, 94 Stat. 2573; Pub. L. 97-98, title X, § 1004, Dec. 22, 1981, 95 Stat. 1260; Pub. L. 104-127, title II, § 225(b), Apr. 4, 1996, 110 Stat. 962; Pub. L. 105-385, title II, § 212(b)(4), Nov. 13, 1998, 112 Stat. 3467.)

REFERENCES IN TEXT

The Export Administration Act of 1979, referred to in subsec. (a), is Pub. L. 96-72, Sept. 29, 1979, 93 Stat. 503, as amended, which is classified principally to section 2401 et seq. of the Appendix to Title 50, War and National Defense. For complete classification of this Act to the Code, see Short Title note set out under section 2401 of the Appendix to Title 50 and Tables.

Section 1445e of this title, referred to in subsec. (c)(2), was amended generally by Pub. L. 101-624, title XI, § 1123, Nov. 28, 1990, 104 Stat. 3503, and, as so amended, subsec. (b) of section 1445e does not contain a clause (5).

AMENDMENTS

1998—Subsec. (d)(2). Pub. L. 105-385 made technical amendment to reference in original act which appears in text as reference to section 1736f-1 of this title.

1996—Subsec. (d)(2). Pub. L. 104-127 added par. (2) and struck out former par. (2) which read as follows: “The provisions of subsections (c), (d), (e), (f), and (g)(2) of section 1736f-1 of this title shall apply to commodities in any reserve established under paragraph (1) of this subsection, and (except for the last sentence of subsection (c) of section 1736f-1 of this title) the references to ‘wheat’ in such subsections of section 1736f-1 of this title shall be deemed to be references to ‘agricultural commodities’.”

1981—Subsec. (c)(2)(A). Pub. L. 97-98, § 1004(1), substituted “third sentence” for “second sentence”.

Subsec. (c)(2)(B)(i). Pub. L. 97-98, § 1004(2), substituted “110 per centum” for “105 per centum”, “Secretary may encourage repayment” for “Secretary may call for repayment”, and “clause (5) of the third sentence” for “clause (6) of the second sentence”.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-98 effective Dec. 22, 1981, see section 1801 of Pub. L. 97-98, set out as an Effective Date note under section 4301 of this title.

EFFECTIVE DATE

Section 213 of title II of Pub. L. 96-494 provided that: “Except as otherwise provided herein, this title [enacting this chapter and section 1445h of this title, amending sections 1444c, 1445b, 1445e, and 1446 of this title, and enacting provisions set out as notes under this section, sections 1445e and 1445h of this title, and section 714c of Title 15, Commerce and Trade] shall become effective October 1, 1980, or the date of enactment [Dec. 3, 1980], whichever is later.”

SHORT TITLE

Section 1 of Pub. L. 96-494 provided: “That this Act [enacting this chapter and sections 1445h and 1736f-1 of this title, amending sections 608c, 1444c, 1445b, 1445e, and 1446 of this title, and enacting provisions set out as notes under this section, sections 1445e, 1445h, and 1736f-1 of this title, and section 714c of Title 15, Commerce and Trade] may be cited as the ‘Agricultural Act of 1980’.”

Section 201 of title II of Pub. L. 96-494 provided that: "This title [enacting this chapter and section 1445h of this title, amending sections 1444c, 1445b, 1445e, and 1446 of this title, and enacting provisions set out as notes under this section, sections 1445e and 1445h of this title, and section 714c of Title 15, Commerce and Trade] may be cited as the 'Agricultural Trade Suspension Adjustment Act of 1980'."

#### **§ 4002. Alcohol processor grain reserve program**

##### **(a) Definitions**

As used in this section—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "processor" means any person engaged within the United States in the business of manufacturing grain into alcohol for use as a fuel either by itself or in combination with some other product.

(3) The terms "agricultural grain" and "grain" mean any agricultural commodity (A) that is suitable for processing into alcohol for use as a fuel, and (B) with respect to which a price support operation is in effect.

(4) The term "producer storage program" means the producer storage program provided for under section 1445e<sup>1</sup> of this title.

(5) The term "small scale biomass energy project" shall have the same meaning as defined in section 8802(19) of title 42.

##### **(b) Loans on stored grain; processors eligible**

To assist processors in obtaining a dependable supply of grain at reasonable prices, the Secretary may formulate and administer a program under which processors purchasing and storing grain needed by them for manufacturing into alcohol for use as a fuel may obtain a loan from the Secretary on such grain. Loans under this section may be made available only to processors that (1) operate small scale biomass energy projects financed in whole or in part by the United States Government or any agency thereof, and (2) as determined by the Secretary, are otherwise unable to obtain a dependable supply of grain at reasonable prices for use in such projects.

##### **(c) Terms and conditions of processor grain reserve program and producer storage program**

Except as otherwise provided in this section, loans made under this section to carry out the processor grain reserve program may be made on the same terms and conditions as loans made to carry out the producer storage program.

##### **(d) Amount of loan**

The amount of the loan that the Secretary may make to an eligible processor at any time on any quantity of grain purchased by the processor shall be determined by multiplying the price support loan rate in effect for such grain at the time the loan is made times the quantity of grain purchased by the processor. The quantity of grain on which one or more loans may be outstanding at any time in the case of any processor may not exceed the estimated quantity of grain needed by such processor for one year of operation.

<sup>1</sup> See References in Text note below.

##### **(e) Replacement of removed grain**

Whenever any quantity of grain stored in the processor grain reserve under this section is removed from storage by a processor, the processor may be required to replace such grain with an equal quantity, within such period of time as the Secretary shall prescribe by regulation, or repay that portion of the loan represented by the quantity of grain removed from storage.

##### **(f) Purposes for which grain to be used**

Grain on which an eligible processor has received a loan under this section may not be used for any purpose other than the manufacture of alcohol for use as a fuel, and the Secretary shall establish such safeguards as the Secretary deems necessary to assure that such grain is not used for any other purpose and is not used in any manner that would unduly depress, manipulate, or curtail the free market in such grain.

##### **(g) Terms and conditions of loan; security; non-recourse loans**

Loans made under this section shall be made subject to such terms and conditions and subject to such security as the Secretary deems appropriate, except that such loans may not be made as nonrecourse loans.

##### **(h) Payment for cost of storage; repayment of loans**

In carrying out the processor grain reserve program under this section, the Secretary may—

(1) provide for the payment to processors of such amounts as the Secretary determines appropriate to cover the cost of storing grain held in the processor grain reserve, except that in no event may the rate of the payment paid under this clause for any period exceed the rate paid by the Secretary under the producer storage program for the same period; and

(2) prescribe conditions under which the Secretary may require processors to repay loans made under this section, plus accrued interest thereon, refund amounts paid to the processors for storage, and require the processors to pay such additional interest and other charges as may be required by regulation in the event any processor fails to abide by the terms and conditions of the loan or any regulation prescribed under this section.

##### **(i) Announcement of terms and conditions of program**

The Secretary shall announce the terms and conditions of the processor grain reserve program as far in advance of making loans as practicable.

##### **(j) Use of Commodity Credit Corporation facilities**

The Secretary may use the facilities of the Commodity Credit Corporation to carry out this section.

##### **(k) Authorization of appropriations; appropriation acts as determining amount and extent of loans; expiration of authority to make loans**

There are authorized to be appropriated such sums as may be necessary to carry out this sec-